



Commonwealth of Massachusetts

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Chrystal Kornegay, Undersecretary

M.G.L. CHAPTER 121B

URBAN RENEWAL PLAN PREPARATION GUIDE

The Massachusetts Legislature established the Urban Renewal Program under Massachusetts General Laws Chapter 121B (M.G.L. c. 121B) to assist communities to revitalize decadent, substandard or blighted open areas and to encourage sound growth. The Urban Renewal Program provides tools for communities to redevelop these deteriorated and blighted areas -- designated as urban renewal areas -- for residential, recreational, educational, hospital, business, commercial, industrial or other purposes. Under M.G.L. c. 121B, future redevelopment within these designated urban renewal areas must be undertaken in accordance with use limitations specified in approved Urban Renewal Plans. The Department of Housing and Community Development (DHCD), Division of Community Services, is responsible for the operation and administration of the Urban Renewal Program. This includes the review and approval of all Urban Renewal Plans.

This application guide is designed to help you prepare your Urban Renewal Plan submission to DHCD. Attention to these recommendations will ensure that the Plan submission is complete, thereby expediting DHCD review and approval.

CRITERIA FOR PLAN APPROVAL

An Urban Renewal Plan is an application submitted to DHCD by a municipality -- through its redevelopment agency -- requesting approval of a proposed redevelopment project. Four copies of the Urban Renewal Plan must be submitted to DHCD, an original and three copies.

In order to approve a proposed Urban Renewal Plan, DHCD must make the following six findings:

1. The project area would not, by private enterprise alone and without either government subsidy or the exercise of governmental powers, be made available for urban renewal -- i.e., without public involvement, the project area would not be (re)developed.
2. The proposed land uses and building requirements in the project area will afford maximum opportunity for privately financed urban renewal consistent with the needs of the locality as a whole -- i.e., the project will enhance/promote private investment.
3. The plan for financing the project is sound.
4. The designated urban renewal area is a decadent, substandard or blighted open area.
5. The Urban Renewal Plan is complete.

6. The Relocation Plan is approved under M.G.L. c. 79A.

Following these findings, DHCD will issue a letter approving the Urban Renewal Plan. If the Urban Renewal Plan is not approved, it may be resubmitted with such modifications, supporting data or arguments as are necessary to meet DHCD's written objections.

In order to be considered "complete" (see finding #5 above), the Urban Renewal Plan must include all of the information specified under Massachusetts Implementation Regulations 760 CMR 12.00(2), "Urban Renewal Plans," including:

- Identification of the proposed boundaries of the project area.
- A description of the conditions that qualify the area as an urban renewal site for redevelopment and the kinds of redevelopment activities, including public actions that are proposed to address these conditions.
- Identification of the anticipated impact of the proposed redevelopment activities on the urban renewal area and on the larger community such as job creation and/or retention, business expansion, housing development, traffic and infrastructure improvements and a description of the resulting public benefits.
- Identification of any relocation that will result from the proposed actions and the resources available for displaced businesses/persons.
- Identification of public improvements proposed to accomplish project objectives and any impediments to proposed redevelopment such as wetlands, flood plains, hazardous wastes, soil conditions, etc.
- Identification of current owners of land parcels within the proposed project area, current zoning, land use and proposed changes in land use and zoning.
- Identification of the community/economic development strategy proposed in the Urban Renewal Plan and how the proposed strategy will achieve project objectives.
- Identification of funding sources and their uses for project implementation and an accompanying implementation timeline.
- Any additional information needed to adequately describe the proposed project.

PLAN FORMAT

The format of the Urban Renewal Plan submission to DHCD should conform to the regulatory requirements specified under 760 CMR 12.02, "Urban Renewal Plans". These regulatory requirements are:

- 12.02(1) Characteristics
- 12.02(2) Area Eligibility

- 12.02(3) Project Objectives
- 12.02(4) Cost Estimates and Financing Plan
- 12.02(5) Local Approvals
- 12.02(6) Site Preparation
- 12.02(7) Public Improvements
- 12.02(8) Relocation
- 12.02(9) Redeveloper's Obligations
- 12.02(10) Property Disposition
- 12.02(11) Citizen Participation

The Plan submission should be divided into sections and labeled according to the regulatory headings and their respective subsections as specified in 760 CMR 12.02, as appropriate. Submitting the Plan in this format will expedite DHCD review and approval.

PLAN SUBMISSION - OVERVIEW

The Urban Renewal Plan should include both quantitative and qualitative data/information, maps, architectural and engineering drawings and narrative discussions. The Plan should also be structured to (a) identify serious problems that qualify the area as an urban renewal site, (b) explain why public action is necessary as a catalyst for private investment in the area in order for redevelopment to occur, (c) describe the specific public actions that will be undertaken and the anticipated redevelopment that will result from future private and public investment and (d) identify specific objectives as well as the larger goals/vision that will be achieved by Plan implementation.

A complete Plan submission will include answers to the following questions.

- WHAT general and specific problems exist in the area – including the nature and scope of these problems?
- WHAT is the history of the area – i.e., what was the area like before the onset of these problems?
- WHAT caused these problems?
- WHAT previous efforts have been employed to remedy these problems?
- WHY have they failed?
- WHY is an urban renewal approach being proposed?
- WHAT does an urban renewal approach offer that other strategies lack?
- WHAT specific public actions are proposed by the Plan to address these specific problems and WHY?
- WHAT projected outcomes will result from the implementation of these proposed actions – in general and in specific – in the short- and long-term?
- WHAT anticipated private response (i.e., private investment and redevelopment) will result from these public actions?
- WHAT are the Plan's overall goals and objectives and HOW will they be achieved by the Plan?
- WHAT is the vision and product that the Plan is designed to achieve?
- WHY are these outcomes important to the urban renewal area and to the community?
- WHAT is happening elsewhere in the community, region and state that might affect or be affected by Plan implementation?

Answers to these questions should be included in the appropriate regulatory sections of the Plan (see below). The Plan may also include additional information not specifically required by the regulations. Additional information may be useful in telling the community's "story" and explaining why an urban renewal approach is being proposed. Please note, however, that any such additional information should not be used as a substitute for meeting regulatory requirements.

PLAN SUBMISSION – REGULATORY REQUIREMENTS

Executive Summary

The Plan submission should include an Executive Summary or overview that clearly and succinctly describes the Urban Renewal Plan including: a description of the urban renewal area, an explanation of the need/problem(s) necessitating the Plan, the public action (e.g., land acquisition, infrastructure improvements, financial incentives, zoning changes) proposed to address these problem(s), the anticipated redevelopment that will result from these actions (e.g., market-rate housing development, housing rehabilitation, industrial and/or commercial development) and the end-product and/or vision that the Plan is designed to achieve (e.g., establish area as a neighborhood retail center; change area from heavy industrial and automobile-related businesses to business park and light industry; create open space; improve access to and throughout the area). Although the Executive Summary is not a regulatory requirement itself, DHCD is requesting its inclusion in the Plan -- as a summary of Plan content -- in order to facilitate Plan review.

The Executive Summary should also include a brief statement describing how the Urban Renewal Plan conforms to and promotes the Commonwealth's Sustainable Development Principles. (The Sustainable Development Principles are included at the end of this document.)

12.02(1) Characteristics. Plans or maps of the project area and the immediate surrounding area

The Urban Renewal Plan must include maps of the project area and the adjacent or surrounding area. Eleven separate maps are required. They should be accurately labeled to correspond to the regulatory requirements under 760 CMR 12.02(1). Please take care to prepare and submit all requisite maps and information. Failure to comply with this requirement or submission of incomplete or illegible maps will delay Plan approval. A detailed narrative explaining and/or expanding on the information in these maps should be included, as appropriate. A reconfiguration of requisite maps is permitted but they must be labeled to correspond to the appropriate regulatory subsection(s) (e.g., submit as separate maps project area boundaries and typography). The submission of additional maps not specifically required under 12.02(1) is permitted. However, they must be clearly labeled as to content and purpose (e.g., map of open spaces to show density of area and need for additional green spaces).

- (a) Boundaries of the project area and typography,**
- (b) Boundaries of areas proposed for clearance and areas proposed for rehabilitation,**
- (c) Property lines and the foot-print of buildings and parking areas on each lot, existing and proposed,**
- (d) Existing uses, including identification of land in mixed uses and land in public use, and the current zoning,**
- (e) Proposed land uses, other activities and zoning,**
- (f) All thoroughfares, public rights of way and easements, existing and proposed,**
- (g) Parcels to be acquired,**

- (h) **Lots to be created for disposition,**
- (i) **Buildings to be demolished,**
- (j) **Buildings to be rehabilitated,**
- (k) **Buildings to be constructed.**

Under **(1)(g), Parcels to be acquired**, a separate listing of all properties identified for acquisition should be included with their property addresses, parcel numbers, property owner names and parcel sizes. In addition, the Plan should also include a separate listing that compares each individual parcel's current use (e.g., bakery, clothing store, sheet metal plant, junk yard) to the proposed use that will result from its redevelopment (e.g., pocket park, sidewalk, parking structure, light industry, housing, office building). This "before" and "after" comparison is requested in order to show how redevelopment will affect the targeted area. In addition, this list of "before" and "after" uses should be as specific as possible (e.g., automobile junk yard to light industry/furniture manufacturing).

12.02(2) Eligibility. Data and other descriptive material which demonstrates that the project area is a blighted open, a decadent, and/or a substandard area within the definitions set out in M.G.L. c. 121B, section 1.

This section requests data and other descriptive material documenting that the proposed urban renewal area is a decadent, substandard or blighted open area pursuant to the definition in M.G.L. c. 121B, Section 1. The Urban Renewal Plan must include a statement demonstrating that the area is eligible with supporting documentation. It is in this section that quantitative and qualitative documentation is presented justifying proposed clearance and rehabilitation activities. Data must be based on exterior inspections of each building and interior inspections of a sufficient number of representative buildings to make a determination about the feasibility of improving buildings of that type, as appropriate.

In order to demonstrate that the proposed project area is eligible to be designated as an urban renewal area, the decadent, substandard and blighted conditions must be present to a reasonable degree in all portions of the area. The Plan must also contain a statement, with accompanying maps, identifying the section/portion of the project area proposed for clearance and redevelopment and the section/portion proposed for rehabilitation.

Section 12.02(2) should also function as the Plan's **needs assessment** section and include appropriate background information such as location, history, relevant municipal statistics, rationale for the selection of the project area, etc. The needs assessment discussion should articulate a rationale for the redevelopment objectives that follow (see also Section 12.02(3)). The Plan should also include an explanation of how and why the urban renewal area boundaries were drawn.

This section should explain and document the severity of the need in the project area and the minimum public action necessary to address this need and to promote private investment in the project area. It is also important that the Plan discuss why public action – i.e., land acquisition and clearance and/or rehabilitation of existing buildings -- is necessary for the area's redevelopment.

Finally, the information presented in this section should accurately correspond to the plans or maps submitted under 12.02(1), Characteristics: (b), (d), (e), (f), (g), (i) and (j). Additional plans or maps included in the Plan as part of the eligibility discussion should be appropriately labeled.

- (a) Where clearance is proposed, a showing that more than 50% of the floor area of all buildings is functionally obsolete, structurally substandard or is not reasonably capable of being rehabilitated for productive use,**

Under this section, the necessity for clearance and redevelopment of a project area, or any sizeable portion of the project area, must be satisfactorily demonstrated in all cases. In order to warrant clearance within a designated “clearance area”: (a) More than 50% of the buildings, not including accessory outbuildings, must be structurally substandard to a degree requiring clearance by specific criteria. It is essential that the Plan include a description of the specific criteria used to make this determination. (b) Individual buildings must contain defects in structural elements or a combination of deficiencies in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection (including adequate egress), layout and condition of interior partitions or similar factors.

- (b) Where spot clearance is proposed, a showing that the clearance is necessary in order to achieve the objectives of the plan,**

If conditions warranting clearance do not exist, the appropriate treatment may be spot clearance to remove substandard buildings and blighting influences or spot clearance to provide land for project improvements and supporting facilities that are necessary to achieve the objectives of the Urban Renewal Plan. Spot clearance may involve buildings that are in good condition but whose demolition is necessary to achieve Plan objectives (e.g., reduce density, infrastructure improvements to improve access to and within the area).

- (c) Where clearance is proposed, a showing that the extent of clearance proposed is justified, and necessary. Particular attention shall be paid to justifying the acquisition of individual parcels of basically sound property which involve high acquisition costs,**
- (d) Where rehabilitation is proposed, a showing that it is economically feasible to rehabilitate the properties in the project and that the existing street and land use pattern can be adapted to the objectives of the plan,**
- (e) Where rehabilitation is proposed, a showing that the area has desirable qualities and other evidence of vitality establishing a likelihood that rehabilitation activities will restore the area over the long-term.**

Where rehabilitation of existing property is proposed, documentation must be presented demonstrating that rehabilitation is a viable strategy for revitalization of the area. The Plan must show that it is economically feasible to upgrade properties remaining in the project area, the area has desirable qualities and other evidence of vitality assuring that rehabilitation activities will restore the area to a long-term sound condition and the street and land use pattern can be adapted to present-day needs or objectives.

- (f) The Urban Renewal Plan is based upon a local survey and conforms to a comprehensive plan for the locality.**

This section is particularly important to the Plan’s demonstration of eligibility. It requests evidence that the Urban Renewal Plan is based on a local survey and conforms to a comprehensive plan for the locality. It is not sufficient to simply reference the community’s Master Plan, relevant market studies or other applicable surveys/studies. The Plan must describe specific Master Plan recommendations and applicable

findings from local surveys and/or market studies that demonstrate the need for public action as defined in the Plan. The Plan may also include additional statistical data, focus group data, results of public hearings, etc., as well as relevant historical and anecdotal information. If the Plan is market driven, then market-study data justifying the implementation strategy should be included in the Plan.

12.02(3) Objectives. A statement of the objectives of the plan including:

- (a) Specification of all proposed redevelopment (In any project area the reuse of which will be predominately residential, an objective shall be the provision of housing units for low or moderate income persons),**

State all Plan objectives including, as appropriate, removal of structurally substandard buildings, elimination of blighting influences, provisions for low and moderate cost housing, provision of land for needed public facilities and infrastructure, removal of impediments to land disposition and development and changes in land use. Please note that the Plan should not only include bricks and mortar objectives with accompanying end products but also objectives concerned with quality-of-life issues.

This section should also include a description of the Plan's overall redevelopment strategy. The strategy should be placed within the larger context provided under 12.02(2), Eligibility – i.e., the strategy should be justified by the articulated project need and condition of the project area. What is the Plan's overall vision for the area? What will the area look like and what will be the nature and scope of the redevelopment that results from Plan implementation? For example: (a) What specific types of retail development will occur in the area? (b) What specific types of housing will be developed in the area? (c) What specific types of industrial development will occur in the area? The Plan should be as specific as possible in describing desired outcomes and end products.

The Urban Renewal Plan is a blueprint for decision-making, the allocation of resources and specific actions in the form of actual redevelopment (e.g., new development, redevelopment of existing sites, expansion of existing uses, reconfiguration of land use, etc.). Although DHCD is requesting that the Plan be as specific as possible in identifying objectives and future types of redevelopment, DHCD also understands that as a "plan," specific items and projections may change over time.

Implementation steps and/or phases should be described with their associated timelines. The Plan must also specify a timeline for duration of the Plan and include an expiration date (e.g., 20 years, expiring in February 2020). However, a community may decide not to have its Urban Renewal Plan expire thereby keeping it operational indefinitely.

- (b) A detailed estimate of how many jobs will be retained, how many created, and how many eliminated as a result of the proposed renewal and redevelopment,**

Jobs should be reported as full-time equivalent (FTE) jobs and include their respective labor sectors.

- (c) The specific provisions which exist or which will be established to control densities, land coverage, land uses, setbacks, off street parking and loading and building heights.**

This section should also include a description of the Plan's design review procedures as they relate to specific design guidelines and a detailed description of zoning changes, as appropriate.

12.02(4) Financial Plan. Cost estimates establishing:

This section requests detailed cost estimates for parcel acquisition, site preparation, proposed public improvements, relocation expenses and gross and net project costs. A detailed *Sources and Uses Budget* should be submitted. Include a timeline detailing the availability of specific funding sources, as applicable.

- (a) The estimated cost of each parcel (or interest in a parcel) to be acquired with an attached appraisal from a licensed appraiser in private practice (appraisal services shall be procured in accordance with M.G.L. c. 30B) and identification of any property in which any officer or employee of the municipality or the operating agency has, or is believed to have, any direct or indirect interest,**

Please note that DHCD will accept partial or “windshield” appraisals for the purpose of Plan review and approval only. Please also note that partial appraisals may not present the community with full and true project costs. Two full appraisals are required prior to actual land acquisition pursuant to 760 CMR 12.04, Land Acquisition.

- (b) Detailed cost estimates for site preparation,**
- (c) Detailed cost estimates for all proposed public improvements,**
- (d) Detailed cost estimates for relocation expenses,**
- (e) Detailed cost estimates establishing the gross and net project cost (Gross project cost shall consist of the total of all costs associated with the project, including but not limited to planning, acquisition and disposition of land, relocation of occupants, improvements to the site, financing and administrative costs. Net project cost shall be the gross project cost less revenue anticipated from disposition of land and other income),**
- (f) A project budget including administrative expenses and reserves for contingencies.**

Submission of the financing plan is limited to Plan review and approval only. A request for funds under the Urban Revitalization and Development Grant (URDG) Program must be submitted to DHCD as a separate application. It may be submitted at the same time as the Urban Renewal Plan application or later, following Plan approval. Plan approval does not automatically mean that DHCD will approve the request for URDG funds or that DHCD will approve a grant in the amount requested. In all cases, DHCD will review the submitted funding request, make a determination as to eligible costs and approve a final estimated net project cost for purposes of making a grant award, as applicable.

URDG funds are available to municipalities to fund implementation of their approved Urban Renewal Plans. Under M.G.L. c. 121B, Section 53 through 57, and Massachusetts Implementation Regulations 760 CMR 12.06, DHCD may award URDG funds in an amount equal to half of the net project cost of an urban renewal project.

All grants are subject to appropriation by the Legislature sufficient to fund the grant. In order to fund URDG awards, (1) an increase in the annual authorization must be passed by the Legislature; (2) an increase in the program authorization must be passed by the Legislature; (3) an increased appropriation

must be passed by the Legislature; and (4) legislative language prohibiting new commitments must be rescinded. Beginning in FY03, the URDG Program is being funded with state capital funds.

12.02(5) Requisite Municipal Approvals. Evidence of a public hearing and the requisite municipal approvals specified in M.G.L. c. 121B, Section 48, and an opinion of counsel to the operating agency certifying that the proposed Urban Renewal Plan is in compliance with applicable laws.

Under c.121B, Section 48, the Plan must include evidence that:

- (a) The urban renewal agency (e.g., redevelopment authority) determined that an urban renewal project should be undertaken (i.e., c. 121B, Section 45, Declaration of Necessity).
- (b) A public hearing was held by the city council of a city or board of selectmen of a town (e.g., copy of publication of hearing notice, hearing minutes, video cassette of hearing, sign-in sheet of hearing attendees, newspaper report of the hearing).
- (c) The Plan was approved by local officials (mayor or city manager and city council in a city or board of selectmen in a town).
- (d) The planning board determined that the Plan is based (1) on a local survey and (2) conforms to a comprehensive plan for the locality as a whole.
- (e) The Massachusetts Historical Commission was notified of the public hearing.
- (f) The urban renewal agency's legal counsel has certified that the proposed Plan is in compliance with applicable laws.

The Plan may also include a copy of the Environmental Notification Form (ENF) filed with MEPA.

12.02(6) Site Preparation. Specification of all proposed site preparation, including land protection and measures to address environmental, topographical, subsoil or flood problems. Any special site preparation or land protection problems shall be identified.

The Plan must describe all proposed site preparation including any potential problems or obstacles that must be addressed. Detailed cost estimates for site preparation should be included under 12.02(4)(b), Financial Plan.

12.02(7) Public Improvements. Specification of any public improvements, a description of their general design and an explanation of how the improvements will help achieve the objectives of the plan.

The Plan must describe all proposed public improvements including any potential problems or obstacles that must be addressed. Detailed cost estimates for public improvements should be included under 12.02(4)(c), Financial Plan.

12.02(8) Relocation. A relocation plan conforming to all applicable requirements appearing in federal law, M.G.L. c. 79A, and the regulations and guidelines thereunder.

DHCD will accept general relocation information as an alternative to a complete Relocation Plan for purposes of plan review and approval only. However, before any property acquisition resulting in displacement may occur, a Relocation Plan conforming to all applicable requirements appearing in federal law, M.G.L. c. 79A and the regulations and guidelines hereunder, must be submitted and approved by

DHCD's Relocation Program Coordinator. Cost estimates for relocation expenses must be included in the Plan under 12.02(4)(d), Financial Plan.

12.02(9) Redeveloper's Obligation. Specification of the obligations that have been imposed or will be imposed upon redevelopers for construction of improvements within a reasonable time and in conformity with the plan. If specific or general commitments for redevelopment exist, specification of the commitments in all pertinent detail, including copies of any contracts, plans, or proposals.

The Plan should identify all redevelopers, and the redevelopment activities they will undertake, to the extent that they are known at the time of Plan submission. Specification of the commitments should be detailed and copies of contracts, plans or proposals included with the Plan, as appropriate

12.02(10) Disposition. The plan must specify the disposition for each parcel and identify any known redeveloper.

Disposition information should correspond to the plan or map requested under 12.02(1)(h), Characteristics. The Plan submission may include a draft land disposition agreement for DHCD review.

12.02(11) Citizen Participation. A report on citizen participation describing citizen participation in the planning process and the expected citizen participation during the project execution. A showing of meaningful citizen participation is necessary for approval of the plan.

The Plan must include a description of citizen participation that (a) occurred during the preparation/planning for the Urban Renewal Plan and (b) is proposed for Plan implementation. If the community established a Citizen's Advisory Committee (CAC) as part of its citizen participation process, then the names and affiliations of all members, as well as a description of how members were recruited/selected, should be included in the Plan. The Plan may also include copies of the CAC's meeting minutes or minutes from other public forums.

**If you have any questions or need assistance contact DHCD at
(617) 573-1400**